

**MINUTES SPECIAL CALLED MEETING OF THE BOARD OF DIRECTORS
MONDAY, AUGUST 27, 2007, 6:00 P.M.**

1. MEETING CALLED TO ORDER

The meeting was called to order by (b) (6), (b) (7)(C)

2. ROLL CALL

PRESENT: (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C) AND (b) (6), (b) (7)(C) ABSENT: None.

3. NOTICE AND PURPOSE OF MEETING

This Special Meeting was called at the August 20, 2007, Regular Board Meeting to discuss operator/secretary compensation upon submission of additional documentation for review by (b) (6), (b) (7)(C) and to receive a report regarding compliance with a request for an I-9 form for an employee of the system.

4. REPORT BY (b) (6), (b) (7)(C)

A. (b) (6), (b) (7)(C) reviewed all available water user agreements. The majority of these did not have dates on them. As a result, (b) (6), (b) (7)(C) went back to 1997 on payments made to Stanford Trenching for water meter installations. From 1997 to the present, he found a total of \$30,844.00 in payments. This figure represents 205 meters at \$150.00 each. Based upon review of the undated water user agreements, a total of 193 were found. (b) (6), (b) (7)(C) noted that in addition to the difference between the available water user agreements and the amounts paid, the records were unclear as to whether some installations had actually been paid by either Project Engineer, (b) (6), (b) (7)(C) or a contractor such as (b) (6), (b) (7)(C). In addition, 24 meters in the Noblin area had apparently been installed by R&S Trenching on March 23, 2000. There was no way to tell if these 24 meters were included in the 193 user agreements produced by the secretary. Thus, (b) (6), (b) (7)(C) found a difference of somewhere between 8 and 32 meters which were not documented during the past ten years. It was noted that meters put in as part of various expansion projects were not included. (b) (6), (b) (7)(C) reported that he did not know what else he could do to document this any further. Whether or not this documentation will be sufficient for auditing purposes is a matter that (b) (6), (b) (7)(C) will first need to consult his review auditor before a final decision.

B. No I-9 Form has been completed for (b) (6), (b) (7)(C). From and after August 27, 2007, (b) (6), (b) (7)(C) will no longer be employed by the Corporation.

Following the report and a discussion of priorities for the Corporation, a

motion was made by (b) (6), with second by (b) (6) to terminate the employment of (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) as operator and secretary, respectively. Following discussion, a roll call vote was taken as follows: YES: (b) (6), (b) (7)(C); NO: (b) (6), (b) (7)(C); ABSENT: None.

5. CONSIDERATION OF RESIGNATION OF BOARD MEMBER (b) (6), (b) (7)(C)

Board Member (b) (6), announced his resignation and left the meeting. Upon Motion by (b) (6), Second by (b) (6) the resignation of Board Member (b) (6), was accepted. On Roll Call Vote: YES: (b) (6), (b) (7)(C); NO: None; ABSENT: None.

With consent of all Board members (b) (6), (b) (7)(C) was appointed to search possible appointees in the Eastern Zone of the Corporation's service and to report back to the Board with his recommendation. It was agreed that the format for interviewing the prospective appointee(s) recommended by Board Member (b) (6), would be followed in the same manner used with the appointment of Board Member (b) (6), (b) (7)(C).

6. CONSIDERATION OF OPERATOR AND CORRECTIVE ACTION PLAN:

MSDH guidelines regarding the temporary loss of a certified operator provide for the appointment of a trainee for a period of up to 180 days. Board Member (b) (6), expressed interest in the appointment. Attorney (b) (6), recommended that any appointment of (b) (6), be cleared with Rural Development. He further stated that (b) (6), would need to have no participation as a Board member in any discussion regarding his employment and that if the appointment was approved by Rural Development they would most likely require (b) (6), (b) (7)(C) resignation from the Board. Further, that in the event of the appointment, (b) (6), would need to be removed as an approved signatory on the Corporation's checking account and could take no action in setting or approving his own salary or the terms and conditions of his work. (b) (6), was asked to excuse himself from the room with Board Member (b) (6), taking over as Chair of the meeting. The matter of appointment of an operator was then discussed by the remaining Board outside the presence of (b) (6), (b) (7)(C). It was noted by (b) (6), (b) (7)(C) that in the absence of both (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) it would be in the best interest of the continued efficient service of the Corporation to appoint (b) (6), (b) (7)(C). On motion by (b) (6), (b) (7)(C) Second by (b) (6), (b) (7)(C) the Board appointed (b) (6), (b) (7)(C) to act as system operator for up to 180 days, subject to the approval of Rural Development. On roll call vote: YES: (b) (6), (b) (7)(C); NO: None. ABSENT: (b) (6), (b) (7)(C).

UPON FURTHER DISCUSSION, THE FOLLOWING CORRECTIVE ACTION PLAN WAS OFFERED:

1. As soon as practical, all purchases by Boyle Skene Water Corporation shall be made pursuant to a purchase order/matching invoice system;
2. As soon as practical, all records, computer equipment, gas cards, machinery and

other property of Boyle Skene Water Corporation shall be turned over to a duly authorized representative of the Corporation by (b) (6), (b) (7)(C) and/or (b) (6), (b) (7)(C).

3. The rate of pay for the interim operator shall be \$6.00 per operational meter;
4. The rate of pay for the interim secretary/ and or manager or billing clerk shall be \$10.00 per hour;
5. The rate of pay for part-time certified water operator assistance to Boyle Skene Water Corporation shall be \$20.00 per hour with approval being given to the interim water operator to consult from a list of available certified operators on an as needed basis (b) (6), (b) (7)(C). The Board stressed the need to immediately ascertain the status of sample collection and reporting to MSDH so that the integrity of the system will be maintained;
6. The interim operator was directed to investigate and determine a location for offices and to forward a report to the Board within five (5) days;
7. The interim operator was directed to complete the process of getting magnetic signs for vehicles driven by the interim operator and/or persons employed by the water system as directed at the July 2007 meeting;
8. The interim operator was authorized to secure part-time labor on a per job basis at the rate of \$9.00 per hour, not to exceed 20 hours in a week without an advanced poll of the Board for additional authority;
9. (b) (6), (b) (7)(C) as the auditor for Boyle Skene Water Corporation, was asked to set up an internal control system and accounting system, to include use of the bookkeeping software previously approved by the Board.
10. Upon receipt of the instructions and confirmation through Rural Development, the Board shall seek proposals from a local accountant to provide check approval, bank account reconciliation on a monthly basis and check writing services. To the extent financially feasible, a single monthly docket of expenses shall be approved by the Board at their Regular Meeting and then delivered to this accountant to be paid;
11. That the Board expresses its intent that the Annual Meeting of the members of Boyle Skene Water Corporation shall be scheduled as soon as practicable, but no later than January;
12. That (b) (6), (b) (7)(C) be employed on in interim basis to serve as office manager/billing clerk. It was noted that the ongoing need for corrective action by the Corporation was prompted by (b) (6), (b) (7)(C) complaint and that she had previously been privately employed by the Corporation secretary to perform these services on her behalf.

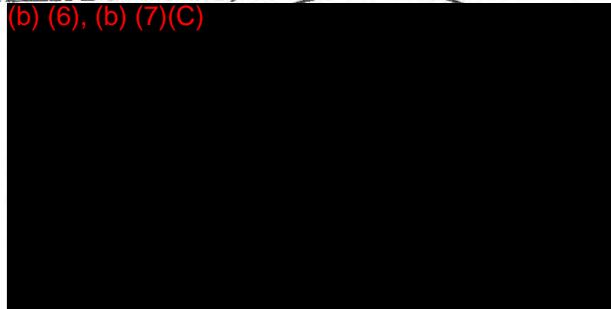
7. ADJOURNMENT

On motion by (b) (6) and second by (b) (6), (b) (7)(C) the meeting was adjourned by unanimous approval of the board.

THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED.

Board Approval:

(b) (6), (b) (7)(C)



ATTEST: _____
Secretary